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## Social Security reform requires unified effort

By James G. Lakely

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President Bush said yesterday that "now is the time to confront Social Security" and appealed to Democrats to put aside their partisan opposition and help him solve "compelling national issues that require a national response."

Mr. Bush made the remarks at the close of his two-day economic summit, a gathering of political supporters and Cabinet members who championed his second-term agenda of incorporating voluntary private investment accounts in Social Security, extending the life of his tax cuts and making it more difficult to file class-action suits against businesses.

"Members of both parties are going to have to get together to work on this," Mr. Bush said. "This is not one of these series of issues that require one-half of the body to participate. These issues are big enough [that] all of us need to work together."

Congressional Democrats have reacted coolly to his proposals, especially his plan to overhaul Social Security, but Mr. Bush said he will reach out to his skeptical political opponents when the next Congress convenes in January.

"I will work hard, as the president, to get rid of zero-sum politics in Washington that says, you know, 'Old George does fine if this passes, and my party doesn't,' " Mr. Bush said. "We got to get rid of that."

"It's got to be that we all take risk and share risk and share in the rewards, so that this notion [that] one party benefits over the other if we happen to do something positive for our nation no longer is the pervasive psychology here in Washington, D.C.," he said.

So far, however, most Democrats and a few Republicans have reservations about the president's ideas, and some mocked Mr. Bush's economic summit as being full of "cheerleaders" for his policies.

"I'd put it in the category of a dog and pony show," said Sen. Jon Corzine, a New Jersey Democrat who once served as chairman and chief executive officer of Goldman Sachs and is considered among his party's chief economic and finance experts. "Unfortunately, this conference was little more than an infomercial for privatization and for the president's already failed economic policies."

Mr. Corzine said he hopes Mr. Bush is serious about reaching out to Democrats, but that would mean "a willingness to compromise" on just about every agenda item.

"I think the president knows that if you want to deal with tax reform, he's going to have to deal with all kinds of folks to get a consensus on this," Mr. Corzine said. "It's not an issue that will follow neatly into partisan camps."

The president said his reforms would adhere to three principles, the first of which is that "nothing will change" for current Social Security beneficiaries and those nearing retirement.

"In other words, nobody is going to take away your check," Mr. Bush said. "You'll receive that which has been promised."

He also is opposed to raising payroll taxes to fix the entitlement -- or raising the cap that collects Social Security taxes on only the first \$90,000 of one's earnings -- and will insist that private accounts for younger workers be part of the overhaul.

Those private accounts would be financed by taking one-third to two-thirds of a worker's contribution to the Social Security trust fund -- currently 6.4 percent of one's annual salary -- and allowing it to be poured into stocks and mutual funds.

"People are not going to be allowed to take their own money for the retirement account and take it to Vegas to shoot dice," Mr. Bush said. "This is going to be a managed account similar to the thrift savings plans that we federal employees have available to us now."

The Bush administration acknowledges that the president's plan would do little to plug the growing gap in Social Security, but private accounts are an essential part of a "comprehensive solution to strengthen Social Security," White House spokesman Scott McClellan said.

The Congressional Budget Office puts the transition costs of Mr. Bush's Social Security plan at between \$1 trillion and \$2 trillion, adding substantially to this year's \$445 billion budget deficit and the overall national debt of \$7.6 trillion.

Mr. Bush, however, said Social Security reform is necessary to address long-term deficits, especially the \$10.7 trillion in unfunded liabilities in the current system. He said he will begin addressing those concerns next year when he submits a budget that reflects "fiscal restraint" and sticks to his goal of cutting the deficit in half in the next five years.

The president has not revealed many details about how he would reform Social Security, which its actuaries predict will begin to run a deficit in 2018 and become insolvent by 2042.

The political road for Mr. Bush will be rough because not only are congressional Democrats opposed, but so, too, are some of the most powerful interest groups in the country. The AARP, with more than 30 million members, opposes Mr. Bush's proposal, as well as the AFL-CIO, the National Association for the Advancement of Colored People, the National Organization for Women and several other groups.

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